

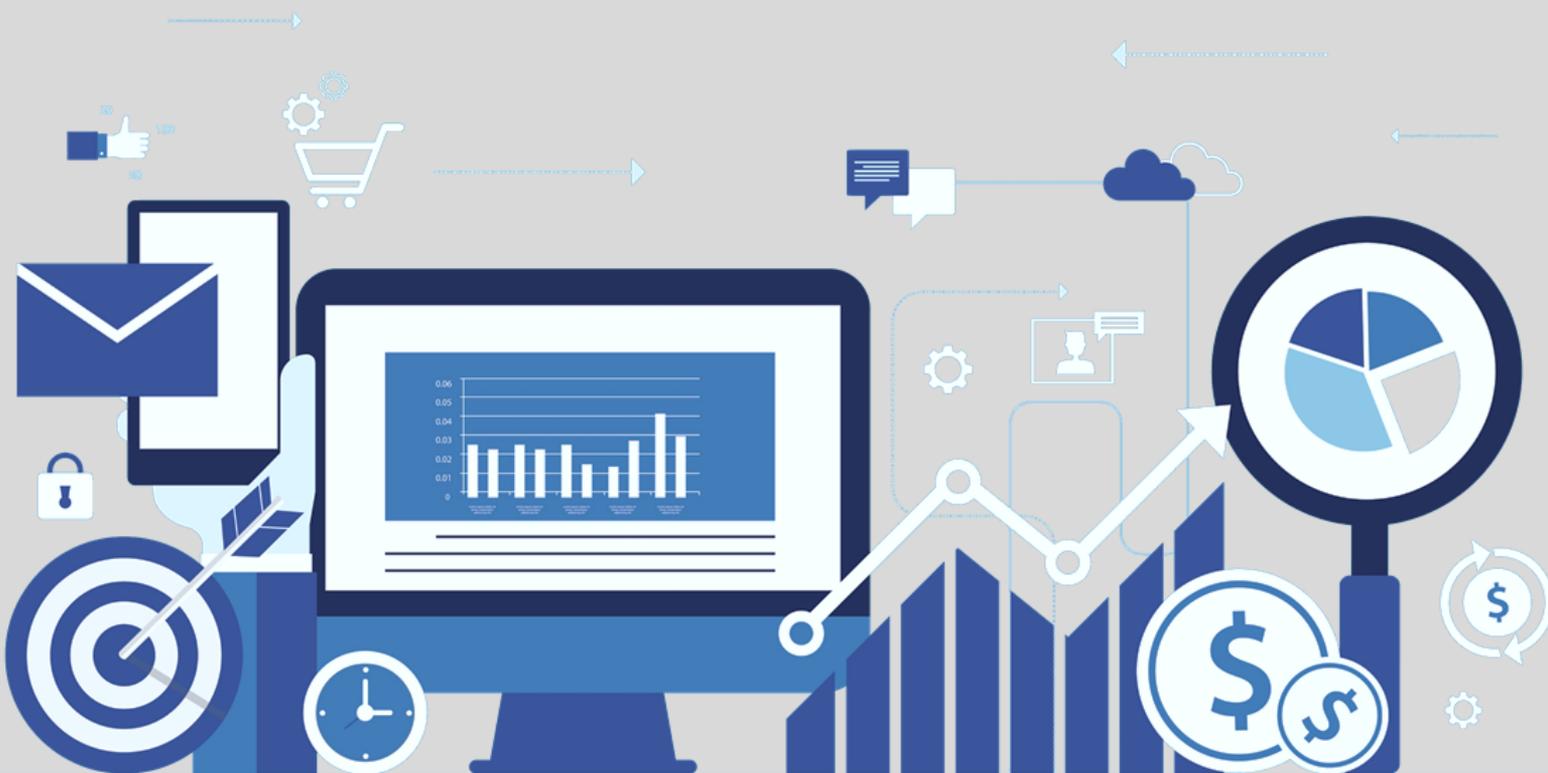
INSIGHT

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FTI Consulting

Telecom, Media & Technology Practice

The Audience-Centric & Data-Driven Newsroom



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The Audience-Centric & Data-Driven Newsroom

The day has finally come when print audiences, though older now, have become fairly stable. And while print advertising is not coming back, mobile advertising is becoming an important part of revenue because newspapers are beginning to monetize mobile audiences. In fact, mobile is growing rapidly¹ and is expected to surpass desktop. The decade-long transition from print to digital and now to mobile, while a silver lining in the otherwise long decline of newspapers, highlights the basic imperative: to listen to our audiences.

How Adults Access News

The chart below shows the % of adults who get news from various platforms

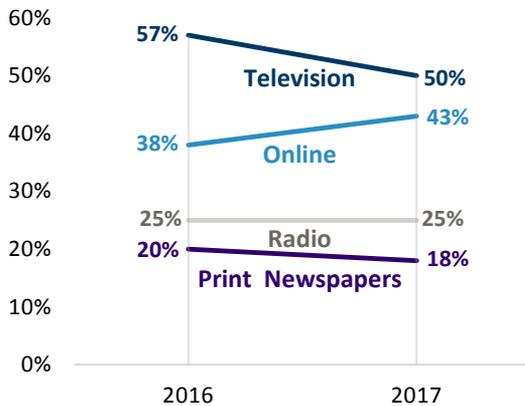


Figure 1

One way to measure the change in audience preferences is to compare which platforms a sample of adults use to get their news. While print and radio have remained steady or declined only 2%, television has declined 12% to about a 50% share from 2016 to 2017. However, the percentage of adults getting their news online has almost completely offset the declines in television and print.

Consider these facts: in 2017, two-thirds of U.S. adults got news from social media,² and online news consumption is challenging television with growth far above that of print newspapers. The gap between the number of U.S. adults who get their news from television versus online continued to decrease.

Adults Getting News from Social Media

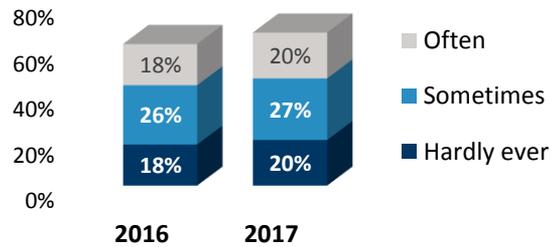


Figure 2

Finally, news websites are equally as popular as social media sites as a common pathway for online news. Together, news websites and social media sites get approximately two-thirds of the total traffic looking for news, according to a PEW Research study.³

Pathways to Online News

Social media and news websites are the most common way to access online news

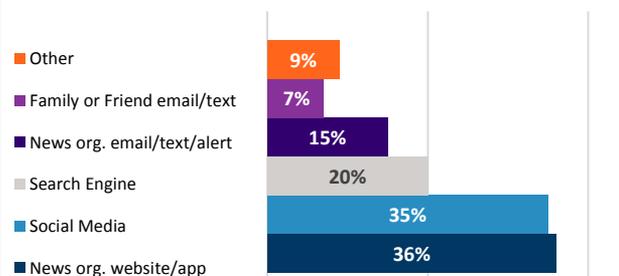


Figure 3

Technology Fueled Content Evolution

Underpinning the growth in the use of digital news is the change in consumption preferences driven by the proliferation of devices available for getting news. As shown on the next page, for more than 100 years, roughly half of American households had newspaper subscriptions.

For the print era we utilized one content channel with a set of reporters who connected with many readers in a given geography in more or less a one-way conversation.

From 2000–2010, *the Digital Decade*, newspapers lost much of their classified advertising to Craigslist, while content was unfortunately allowed to be scraped for free. During this decade, as newspapers struggled to transform their content model, the rise of digital distribution enabled many-to-many sharing, real-time publishing and interactive conversations. Newspaper editorial workflows began to slowly change as new technologies permitted new processes.

Figure 4 depicts the evolution of changes in editorial models through the years, from the single-purpose pagination systems used during the long print era which some say represented newspapers' golden age to some form of a digital CMS in combination with a legacy pagination system, and finally, to the Digital Age with social media tools and the ability to publish from anywhere to any device and a complete integration of the content management system and multi-channel publishing.

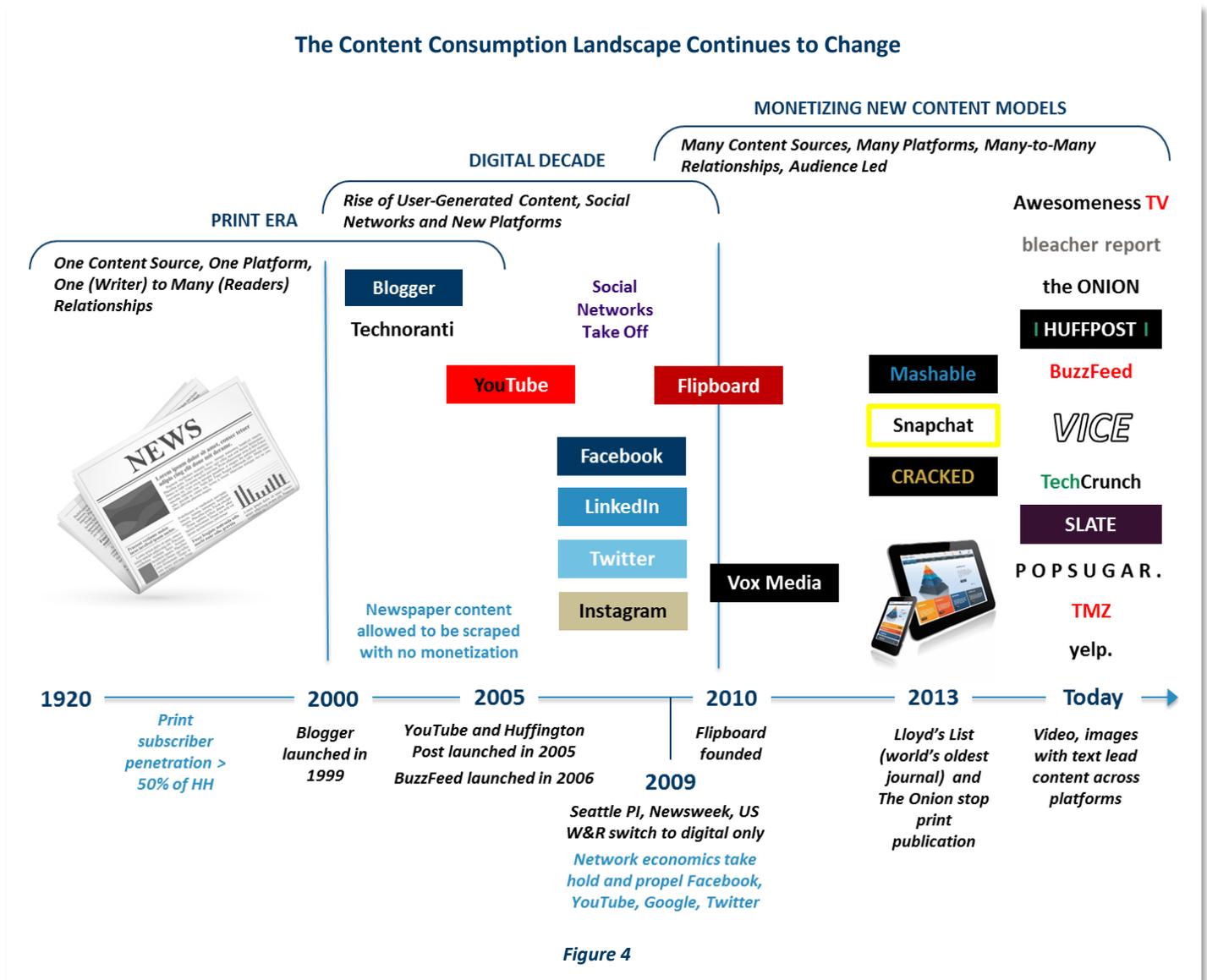


Figure 4

Newspaper Editorial Changes: How Technology Has Impacted Workflows and Organization Structures

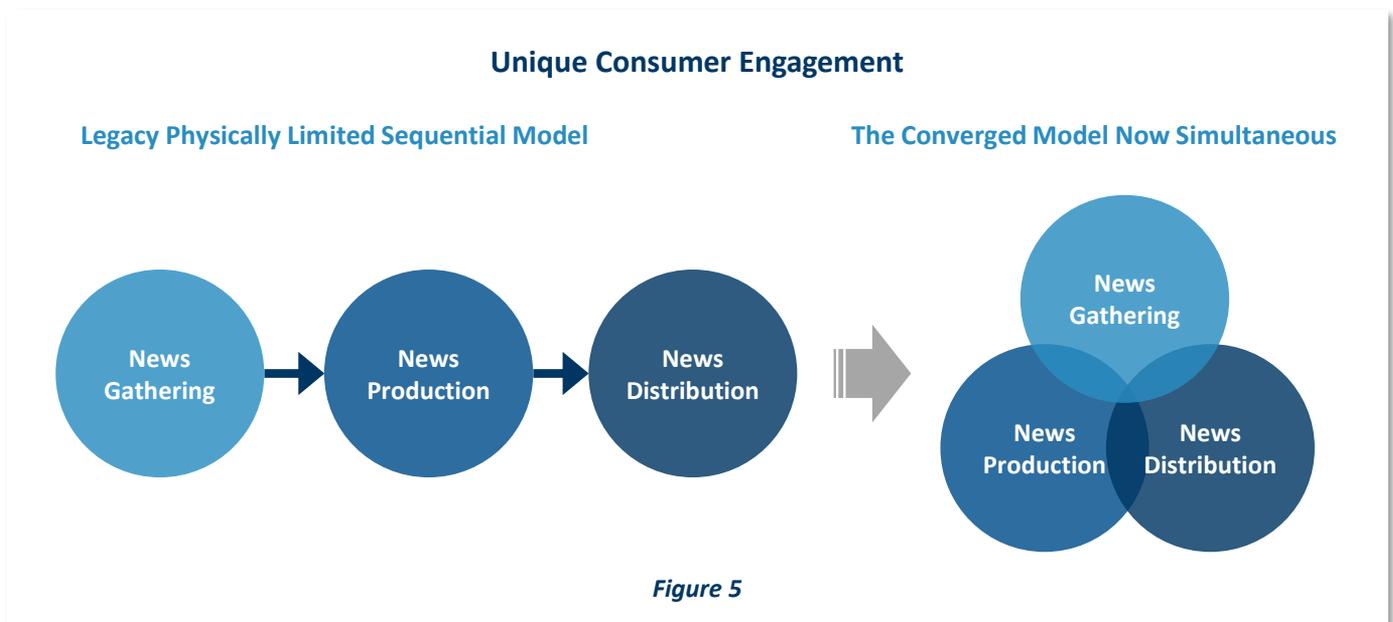
In the legacy print days, physically limited and inflexible pagination model work flows were linear and fit the sequential news gathering, production and distribution process. Editorial staffs prepared dozens of stories from official [original] sources, planned and edited the copy and the layout carefully and created the “daily miracle” once a day using legacy newspaper publishing systems. Digital was then ‘tacked’ on to the dominant print workflow, often creating two workflows.

Today, the digital, converged model requires simultaneous, integrated workflows to produce more stories more quickly. Page counts and newsprint layouts no longer limit storytelling in the era of digital consumption. “Listening” to consumers and being always connected in real-time by using audience data and social media tools is the current new normal. Figure 5 identifies the workflow processes appropriate to a print-dominated world versus the model today: a converged workflow of gathering, editing and producing news simultaneously.

A Data-Informed Newsroom

To investigate, report and write the hundreds of news stories required to serve a real-time, digital model requires a flatter workflow driven by expert voices (especially if they cover a franchise or passion topic) informed by audience data. Organizationally, the newsroom must separate content teams from publishing teams and have active, in-team management aligned in a hub structure. The organization should promote a collaborative environment and iterative process between content and data teams. Within the newsroom’s collaborative hub would be a team comprised of editorial and social media experts and data analytics specialists as well as design, photo, video and SEO experts to present, program and edit content.

Digitally oriented content is focused on trending news and stories, lifestyle, entertainment and watch-dog journalism accompanied by real-time data using mapped consumer journeys on topics of known audience engagement. The cornerstone of the organization is data-led decision-making using consumer data to target audience segments.



Data teams connect the dots among advertising and commercial sales and the newsroom. Data scientists manage the data that is used to enhance current content, build consumer engagement and provide behavioral information to advertising sales and news.

It is encouraging to witness positive traffic trends today. For example, 45% of online users get news from Facebook in the form of FB Instant articles or links back to publishers’ websites—driving both digital traffic and advertising revenue for the newspapers—according to Reuter’s 2017 Digital News Report.⁴

Newsrooms have an opportunity to leverage the explosion of social media usage on mobile devices and

consumers’ increasing reliance on social media for getting news. More importantly, in the context of the tumult about “fake news” undermining the credibility of media stories today, Facebook and other platforms and content aggregators can be well served by legacy newspapers. Venerable national and local print brands are in a position to add needed credibility simply by virtue of being referenced as sources. Many readers may have moved away from print, but they have not moved away from wanting to see traditional journalistic fact-checking, multiple sources and accurate reporting. A transformed digital newsroom uses data to keep the audience in focus, while still providing quality content.

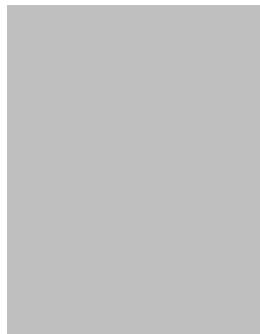
Traditional vs. Networked Data-Driven Mindset

Traditional Traits

- Linear planning and production
- **Desks and beats**
- Specialists at each step of the workflow
- **Management hierarchy at key checkpoints**
- **Low volume of stories for print**

Data-Driven Digital Media Traits

- Collaborative, flexible environment
- Flatter workflow, fuller skill sets
- Active management in **team and hub atmosphere**
- **Audience valued content 18 hours per day**



Legacy News Operations

- Develop web-enabled newsroom by adding web publishing and limited content resources
 - Print-centric workflow and mindset dominating digital efforts and focus
 - Organization and content velocity not yet aligned with digital acceleration

Transformation

- Develop expert voices on franchise and passion topics **informed by audience data**
 - Separate content teams from print publishing teams
 - Actual digital-always, audience-centric workflow
 - Lean, iterative process

Figure 6

Content Sources:

1. FTI Consulting 2018 Advertising Forecast
2. Pew Research Center survey conducted August 8-21 2017 “News Use Across Social Media Platforms 2017”
3. Pew Research Center: Survey Conducted February 24-March 1, 2016. “How Americans Encounter, Recall and Act Upon Digital News: **Note: Respondents were asked about the news they got on their main topic in each instance. Numbers add to more than 100% because respondents could report using more than one pathway in each survey.*
4. Reuter’s 2017 Digital News Report

Figure Sources:

1. Pew Research Center: Survey Conducted August 8-21, 2017. **Note: Respondents could indicate multiple sources, hence the total percentages will equal more than 100%.*
2. Pew Research Center: Survey Conducted August 8-21, 2017. “News Use Across Social Media Platforms 2017”
3. Pew Research Center: Survey Conducted February 24-March 1, 2016. “How Americans Encounter, Recall and Act Upon Digital News: **Note: Respondents were asked about the news they got on their main topic in each instance. Numbers add to more than 100% because respondents could report using more than one pathway in each survey.*
4. FTI Consulting Compilation, 2018
5. Ibid
6. Ibid

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About the Publishing Practice:

Having worked on over 250 engagements with over 100 publishers in the past 5 years, the Publishing team at FTI Consulting advises magazines, newspapers, digital and direct mail | marketing companies on how to transform business and operational models, grow and diversify revenue and optimize expenses amid digital substitution and emerging technologies.

Experts with Impact

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. For more information, visit www.fticonsulting.com and connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn.www.fticonsulting.com